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National
Foreign
Assessment
Center

Foreign Reactions to US Nonproliferation Laws and Initiatives

An Intelligence Assessment

Secret

NI 79-10001
12 March 1979

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Foreign Reactions to US Nonproliferation Laws and Initiatives

An Intelligence Assessment

This assessment was prepared from information available as of 1 January 1979. (U)

This assessment was prepared by analysts in the Office of Regional and Political Analysis and the Office of Scientific Intelligence. Questions and comments may be addressed [redacted] National Intelligence Officer for Nuclear Proliferation.

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Introduction

1. This assessment summarizes foreign responses to US nonproliferation policy since the spring of 1977. It also provides a brief account of the basic political and economic factors that underlie these responses and an approach to the question of whether US policy has "on balance been counterproductive from the standpoint of preventing proliferation."[1] Most of the foreign reactions noted here have taken the form of policy statements or diplomatic activity. They reflect greater awareness of the risks of proliferation. But how far foreign governments have responded to US policy by initiating changes in their nuclear energy programs—for example, planning, budgeting, research and development of sensitive facilities—is hard to evaluate. This is partly because such changes would normally require more time to institute in any case, and partly because they would normally flow from other governments' own political and economic imperatives as well as—or rather than—from US influence, making the impact of the latter difficult to weigh. (C)

2. In their reactions to US nonproliferation policy, foreign countries fall into four main classes. First are the advanced industrial states—like France, West Germany, Italy, and Japan—that plan to use nuclear energy on a large scale. Because they have few energy resources of their own and fear dependence on foreign suppliers whether for oil, uranium, or enrichment services, these governments believe they must develop a fuel-conserving plutonium-based nuclear fuel cycle including uranium enrichment, reprocessing of spent fuel, and use of plutonium in fast breeder reactors. They originally reacted strongly against US nonproliferation policies aimed at restricting these activities, and they still suspect that these US policies threaten their effort to attain as much energy security as possible. (C NF)

3. To varying degrees, these governments share the US concern with nonproliferation, but they believe energy needs are urgent enough to receive equal consideration when decisions are made on nuclear energy matters. They also believe that the proliferation of nuclear weapons can be only marginally retarded by greater efforts to restrain technical or physical capabilities to produce such weapons, because these capabilities are already widely accessible. They argue that proliferation is best warded off by political assurances that meet the security needs of non-nuclear-weapon states. Therefore, these governments have criticized US policy for giving too much priority to nonproliferation concerns over energy needs, whether in advanced or developing countries, and for an excessively technical approach to nonproliferation goals. (C)

4. A second group of countries has shown stronger support for US nonproliferation policy. This group includes countries that do not intend to develop nuclear energy extensively—Norway, with its vast oil reserves, or the Netherlands, with its natural gas—as well as countries like Canada and Australia with very large uranium reserves and little dependence on US supplies. The Soviet Union also shares with the United States a determination to limit the nuclear energy activities of its clients. But, even in this group, many governments want to press ahead with, or maintain an option for, enrichment or reprocessing facilities or sensitive exports like heavy water production technology. They have objected to certain aspects of the US effort to restrain these activities, while supporting US nonproliferation policy generally. (C NF)

5. Developing countries have displayed a third type of response to US policy. Whether relatively advanced, like Brazil, or extremely underdeveloped, like Niger, nearly all these governments have argued that US nonproliferation policy is unacceptably discriminatory against poor countries that lack nuclear weapons and that have been slow to develop nuclear energy, in favor of advanced countries whose programs are already well under way. The developing countries mainly believe that their modernization requires energy development first of all, and that for many of them the rising price of imported oil means nuclear energy will be essential. Beyond the economic point, these countries have claimed that US nonproliferation policy denies them access to advanced technology, undermines their independence in energy policy, and reinforces the dominance of North over South globally. (C NF)

6. A fourth set of states are those non-nuclear-weapon states that have opposed US nonproliferation policy because it works against their intention to produce, or to acquire the capability to produce, at least the fissile materials for a nuclear explosive device. Some of these states, like Israel and South Africa, have refused so far to sign the Nonproliferation Treaty

[1] See Section 601 (a) 4, of the Nuclear Nonproliferation Act of 1978 (P.L. 95-242, 10 March 1978). (U)

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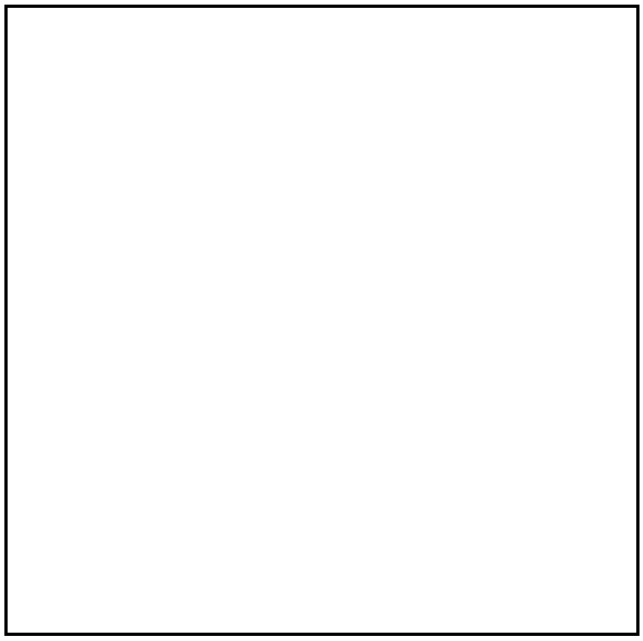

7. In the report that follows, foreign reactions to US nonproliferation policy are portrayed in relation to major institutions—the International Atomic Energy Agency, the Nonproliferation Treaty, the Nuclear Suppliers Group, and the International Nuclear Fuel Cycle Evaluation—and in relation to US efforts to negotiate common domestic and export policies and new bilateral nuclear cooperation agreements. These reactions are nearly all grounded in one of the four broad arguments described here. (C)

8. While, on the whole, foreign governments have become more sensitive to nuclear proliferation risks as a result of US policies, they have also become more wary of efforts by the United States or other nuclear suppliers to restrict their nuclear energy activities. The responses of foreign governments to US nonproliferation policy have included increased efforts to diversify their sources of nuclear supplies in favor of suppliers who place fewer conditions on nuclear exports. They have also responded with a greater determination to acquire the most independent nuclear fuel cycle capabilities they can attain. (C)

9. While some governments have adopted significantly more restrictive policies toward their exports of certain sensitive nuclear fuel cycle facilities such as plutonium separation plants, they have also moved further to reduce their nuclear dependence on the United States. Mainly independent of the Nuclear Nonproliferation Act but closely associated with it, the indirect leverage that the United States has available to influence the nuclear activities of other countries has thus continued to decline in the nuclear energy field except for a few key areas of sensitive technology transfer, where it has increased. So, on balance, the prospects for nuclear proliferation do not seem to have been greatly affected to date by the nonproliferation laws and initiatives. Another year or more is probably needed to determine the results of recent US nonproliferation policies. (C)

Institutional Issues

10. ***IAEA.*** Most of the issues that have dominated the International Atomic Energy Agency over the past year—enlargement of the governing board, improvement of safeguards and of national systems of accounting and control, negotiation of safeguards agreements and facility attachments—took shape before present US nonproliferation policies were initiated. But US emphasis on nonproliferation has intensified the political debate on these issues. Faced with US efforts to establish a more stringent international nuclear energy regime, developing countries have valued even more highly an expansion of their numbers on the governing board, which helps manage that regime. Faced with US encouragement of more rigorous safeguards, especially on timely warning standards, several members have insisted more firmly that these standards must have formal IAEA approval before they are required in IAEA safeguards agreements. (C)

11. In particular, US emphasis on strengthening the IAEA safeguards system, while broadly supported by most governments, has met sharp resistance on the part of several Euratom countries—especially West Germany and Belgium—who argue that the IAEA should mainly verify Euratom's own safeguards rather than conduct fully independent inspections of nuclear facilities in Euratom countries. US efforts to achieve an IAEA-Euratom arrangement with a strong IAEA role that could serve as a precedent for IAEA agreements with individual countries are viewed by Euratom officials as an attack on the special multinational character of the Euratom safeguards system. (C NF)

12. IAEA Director General Eklund has reinforced a widespread response to US nonproliferation policy by pressing his view that the world's need for nuclear power is growing, that an expansion of nuclear power does not increase proliferation risks, and that US policies especially on nuclear fuel reprocessing and retransfers are excessively restrictive. (U)

13. ***NPT.*** During the present US administration, the Nonproliferation Treaty has gained a few new adherents—for example, Portugal and Indonesia. Major nuclear partners of the United States have also agreed

to join a campaign urging more states to accede to the NPT before the 1980 review conference. (C)

14. On the other hand, despite US emphasis on extending the NPT and special assistance the United States has promised to NPT parties, a number of nonsignatories have remained firmly opposed to the treaty. These include the nuclear powers France and China as well as many states in the fourth group the introduction described. (C)

15. More disturbingly, many NPT parties, especially in Latin America, have reasserted their long-standing objections to the treaty since new US nonproliferation policies emerged. These countries claim that US constraints on the nuclear activities of others amount to an infringement of Article IV of the treaty, which promises support for the development of peaceful uses of nuclear energy. They also say that the nuclear powers have not fulfilled the commitment to reduce existing nuclear arsenals. At least for the sake of debate, these countries argue that they should therefore no longer be held to their nonproliferation pledges. (C)

16. Belgian officials have also argued that they won ratification of the NPT only in return for a clear acknowledgement of Euratom's role in nuclear safeguards and supply activities: if IAEA policies undermine Euratom, they also endanger Belgian support for the NPT, these officials say. (C NF)

17. Many foreign officials now speak informally of possible defections from the NPT at the 1980 review conference, especially if the nuclear powers have not achieved a comprehensive test ban accord. These defections, they believe, may be provoked partly by US nonproliferation policies that appear to transform the reciprocal obligations of the NPT into a regime that discriminates against nuclear energy development in non-nuclear-weapon states. (C)

18. ***NSG.*** The London Nuclear Suppliers Group countries have supported US efforts to establish certain common restrictions on NSG nuclear exports. Both France and West Germany have in fact gone beyond these restrictions to announce that, partly in response to the US lead, they will not in the future agree to export reprocessing equipment or technology. But these countries have also resisted US arguments that full-scope safeguards should be among the NSG conditions of supply. Disagreement over this issue sharpened to the point where disbandment was seriously considered. This risk was heightened by the French position that the NSG had a discriminatory character resented by nonmembers, and that, in any case, the INFCE could replace it. In practice, NSG activity was put in abeyance, although foreign governments still often consult with the United States in ad hoc bilateral suppliers talks. (C)

19. ***INFCE.*** At first, many countries invited to take part in the International Nuclear Fuel Cycle Evaluation suspected that the United States intended to use the project to press for an international consensus in favor of its preferred nuclear energy policies. INFCE participants, most outspokenly the French, insisted that the evaluation should be "technical" rather than "political" and especially that it should not prejudice any of their existing nuclear plans or programs. At the same time many governments argued that, because the INFCE might lead to a new international consensus, no new restrictions on nuclear activities should be introduced while it continued. Some foreign officials objected particularly to US approval of new nonproliferation laws, and to US requests for the renegotiation of bilateral nuclear cooperation accords, before the evaluation has concluded. (C)

20. As the INFCE had progressed, participants have strongly defended their own nuclear policies in the course of "technical" discussions. Most of them seem confident that, whatever the evaluation's outcome, it will not seriously endanger their nuclear plans or programs. Some participants from less developed countries have also viewed the project as an avenue for acquiring new information and expertise on nuclear energy matters. (C)

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Evaluation

60. This review of foreign reactions to new US nonproliferation laws and initiatives suggests that few other governments have entirely welcomed that policy. They have objected to the tone of its presentation as well as to its content, arguing that it both attacks their own autonomy in national nuclear energy development and undermines the global consensus that once existed on nonproliferation—based on the mutual commitments contained in the NPT—without providing a serviceable alternative. (C)

61. Because major foreign governments strongly opposed many elements of the new US nonproliferation policy, they intensified their research for independence from US control over their activities. They have done this partly by diversifying their nuclear cooperation relationships and partly by moving to acquire more complete nuclear fuel cycle capabilities. As a result, the United States has lost additional leverage over some foreign nuclear energy programs. (C)

62. At the same time, many officials abroad—in both governments and the major nuclear industries—believe they see inconsistencies in the concept and execution of new US policies that mean they will be able to avoid the most binding US restrictions. First, they sense that the US laws on nuclear cooperation agreements, in relying on the threat of denial of nuclear supplies as a sanction against noncompliance, undercut the credibility of fuel assurances meant to serve as an inducement to compliance. (C)

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64. One widespread strategy is simply to "wait out" the United States: many of these officials have com-

mented that the US administration seems to be backing away from some of the more stringent controls it envisioned imposing on its nuclear partners. Although some foreign officials believe that this change is tactical rather than substantive, many others expect that in time US nonproliferation policy will erode to the point that it requires only a slight, and acceptable, firming of earlier US nonproliferation approaches. Some have been bold enough to say that in any case the new US policy will be overturned by a new president they expect or at least hope will take office after 1980. (C)

65. Meanwhile, foreign responses to the presentation of new US policies have so far been sharp enough to oblige the United States to draw heavily on the reserves of good will it maintains abroad—but which must also support other US policies on defense, arms control, economic issues, and human rights—in pursuing even partial or uncertain foreign compliance with its nonproliferation policy. On balance, that policy has entailed a significant expenditure of US political credit abroad, especially among the West Europeans and the Japanese. (C)

66. In return, the United States has certainly achieved a heightened international awareness of the risks of nuclear proliferation and the importance of containing that prospect. But, so far, it has not won significant acceptance of the main assumptions, either technical or political, of its new nonproliferation policies. (C)

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